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DEPT FOR EAP/IET, PM/DTCC/BLUE LANTERN COORDINATOR - RACHAEL-THERESE
1S. JOUBERT-LIN

E.O. 12958: N/A

TAGS: KOMC ETTC ECON ID

SUBJECT: BLUE LANTERN: RESULT OF VERIFYING BONA FIDES OF REGISTERED
BROKER MULANY LUWENA - CASE NO K-1996

REF: A. 09 STATE 99625

1B. SECTION 38(B) (1) (A) (II) OF THE ARMS EXPORT CONTROL

1C. ACT (AECA) (22 U.S.C. 2778)

11. Summary: We visited PT Multijaya Sparindo - an Indonesian entity in aviation industry supplying business - on November 2, 2009 and met with registered broker Mulany Luwena and her spouse, Chairman Jeffrey Luwena to verify the bona fides of the company requested in refTel. We found the company to be legitimate. Chairman Luwena was aware of the restrictions on United States Munition List (USML) items, particularly the prohibition against unauthorized re-transfers and re-exports. End summary.

Background and Fact Finding

12. On the morning of Monday 02 November 2009, Econoff visited the offices of Multijaya Sparindo (Sparindo) located at Jalan Sultan Agung No. 58/59D. Sparindo occupied two floors of a low-rise office building in central Jakarta. Sparindo's offices were clearly identified by signs on the outside of the building. In setting up the appointment, Econoff was easily able to contact Sparindo and speak with an individual who clearly identified herself as a representative of the company. Setting up a meeting date at the Sparindo office was transparent and easy.

13. Econoff was greeted by registered broker Mulany Luwena, then handed off to Mulany's husband, Sparindo Chairman Jeffrey Luwena. Econoff spoke with Jeffrey Luwena for approximately 30 minutes. Luwena confirmed that he is an official representative for several US companies: Flier Systems Incorporated, Kaman Helicopters, Raytheon and Northrop Grumman. Luwena advised that he primarily supplied advanced navigation and electronic systems to clients in the aviation industry. Sparindo's primary clients were the Indonesian Air Force, Army, Navy and Police.

14. Sparindo was established on 08 August, 1988 and currently has approximately 30 employees. The company generates gross sales of approximately \$20 million annually. Luwena explained that he has had considerable assistance gaining a foothold in this industry from his godfather, a former chief of staff for the Indonesian Air Force who still acts as an advisor. Econoff confirmed that Sparindo does not/not store USML items on behalf of its clients, and instead relies on Kellstrom, a US firm located in Florida, to manage and store products on their behalf.

15. Econoff is unaware of any derogatory background information on Sparindo. Econoff highlighted to Mr. Luwena the important position that he occupied as a named and authorized representative of USML products and urged him to always comply with regulations which regulated businesses such as his, and primarily with regards to end user documentation. Mr. Luwena stated that he understood the importance of this issue and that he was never to re-transfer or re-export and piece of equipment not strictly authorized for this purpose.

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